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Catherine Crutcher
Federal Communications Commission
1919 M Street, N.W.
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VIA FACSIMILE

Re: GN Docket No. 96-228; Establishment of a Wireless
Communications Service in the 2.3 GHz Band

EX PARTE LETTER

Dear Ms. Crutcher:

This letter responds to your request that, on behalf of Shell Offshore Services Company ("SOSCo"), we explain why the Federal Communications Commission ("Commission") should treat the Gulf of Mexico as a distinct geographic area for purposes of the upcoming allocation and auction of Wireless Communications Service spectrum in the 2.3 GHz band. As explained below, the Gulf of Mexico is sufficiently different from onshore locations in the United States that it logically should be treated as a distinct region for purposes of spectrum auctions.

One obvious difference between the Gulf of Mexico and onshore locations is that there is almost no dry land in the Gulf of Mexico. Almost everything in the Gulf of Mexico, including most of its population, is supported by man-made structures. Also, there is no wireline communications infrastructure to speak of in the Gulf of Mexico. The businesses and people in the Gulf of Mexico depend almost exclusively on wireless communications facilities as their link to onshore locations. These facts alone distinguish the Gulf of Mexico from the rest of the nation and other arguably unique areas, such as remote islands like Guam, subject to Commission jurisdiction.

Another important distinction between the Gulf of Mexico and onshore locations is that its population is transient and almost exclusively industrial. At any one time, SOSCo estimates that

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there are somewhere between 15,000 and 25,000 people in the Gulf of Mexico. Almost all of these people work in the oil and natural gas industries and, at least while they are in the Gulf of Mexico, live on drilling vessels or production platforms. Unlike an onshore population, none of these personnel reside full time in the Gulf of Mexico. These people usually work for seven days on one of the platforms and then are ferried back to the mainland for seven days. The wireless communications facilities on the platforms usually are the only link these personnel have to their suppliers and transportation providers, as well as their families. The onset of a hurricane usually requires a complete evacuation of most platforms. Even in the temporary absence of operating personnel on these platforms, however, reliable wireless communications can permit the remote operation of some production facilities. Nonetheless, it is the requirements of the oil and natural gas industries, not the needs of their personnel, that drive deployment of communications facilities in the Gulf of Mexico.

The Gulf of Mexico also is unique because the value of spectrum is not determined by population density or similar factors. Rather, the value of spectrum in the Gulf of Mexico is dictated by the needs of the oil and natural gas industries to support the search for and production of petroleum and natural gas -- a very unique and specialized undertaking. For these reasons, spectrum in the Gulf of Mexico logically should be auctioned separately from other spectrum because the mechanisms for valuing spectrum in the Gulf of Mexico, as well as the market for communications services in the Gulf of Mexico, is very different than it is anywhere else in the United States.

We trust that you will find this letter responsive to your inquiry. Should you have any further questions or require additional information, however, please do not hesitate to contact the undersigned telecommunications counsel for SOSCo.

Very truly yours,



Wayne V. Black

cc: Rudolfo Baca
David Siddall
Suzanne Toller
Johnathan Cohen